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Part 1: News Analysis

Kazakh president Nursultan Nazarbayev's first state visit this week to the other post-Soviet Caspian power, Turkmenistan, allowed Kazakhstan to pressure Ashgabat to move forward on the pipeline deal reached at a May summit with Russia and make progress on construction of railway lines that would further erode Turkmenistan's traditional isolation.

As usual, Berdymukhamedov kept his own counsel, neither confirming nor denying that Ashgabat would do anything but try to keep all its options open. The much-anticipated start to the Russian-backed Caspian pipeline agreed on at the May summit did not get underway as planned this month, although Russia's Gasprom says the agreement is nearing the final drafting stages, and Turkmen officials say they have completed their part. Still, separate elements of the overall energy and transportation infrastructure for the region remain under development. Turkmenistan and Kazakhstan are now hoping to sign an agreement to construct the Uzen-Kyzyl-Kaya-Bereket-Etrek-Gorgan railway line, from Kazakhstan through Turkmenistan to Iran, ITAR-TASS reported. At a press conference following his visit, President Nazarbayev said the railway deal, which was revived at the tripartite summit, could be inked at a meeting in Tehran in mid-October.

Nazarbayev also expressed a willingness to work with Turkmenistan to undercut Russian pipeline projects with their own "beneficial" prices and stressed the need to devise alternative energy routes outside of Russia's sphere. President Berdymukhamedov encouraged Kazakh businessmen to help develop his showcase Caspian resort region near Turkmenbashi, and also hinted that he would welcome Kazakh on- and off-shore exploitation of Turkmen gas, although no final agreement has yet been signed.

President Berdymukhamedov also met this week with the Foreign Minister of Bulgaria, which recently held the chairmanship of the OSCE. The Turkmen leader is preparing for his first trip to the United States, where he will make his first appearance at the General Assembly on September 26 and meet with U.S. officials and businessmen on the margins of the meeting. A separate Turkmen delegation is slated to visit Washington DC and Houston, apparently to discuss pipeline projects that would challenge Russia's traditional domination of regional energy routes.

At home, foreign and domestic media fueled President Berdymukhamedov's image as a reformer this week by generating headlines about the impending release of 9,000 prisoners on October 2, in connection with an Islamic holiday. However, the releases are an annual event, and this year the number targeted for release is actually lower than last year's, when President Niyazov ordered the amnesty of 10,000 inmates.

As NBCentral Asia of the Institute for War and Peace Reporting has commented, another recent symbolic flourish was the announcement of the government's purchase of \$3.5 million of video-editing equipment. Berdymukhamedov has fired two culture and media ministers since coming to power in February, and is now apparently leaning on a third to make the visual presentation of his achievements look as good as they sound, complaining that news facts have not been checked and television entertainment has been bland. Some experts have observed that less censorship and more support and training for journalists are more urgently needed for improvement of the media than newer technology.

One indirect indication of liberalization of Turkmen society is the promised increase, reported this week, in the number of mobile phone users. The domestic company TM Cell, backed by Chinese investors and currently

serving 43,000 customers, expects to grow its cellular network by an additional 100,000 subscribers by February 2008, turkmenistan.ru reported. Among those are 50,000 in Ashgabat and 10,000 in each of the country's five provinces with the goal of improving communications in virgin lands and mountainous areas. The other provider of cell phone service in Turkmenistan, Russia's MTS, reported 240,000 subscribers at the end of June 2007, up 96 percent over June 2006.

Part 2: News Digest

Summary: Turkmen and Kazakh leaders discussed cooperation on the Trans-Caspian pipeline in Ashgabat. And more than 9,000 prisoners are said to be slated for the country's annual prison amnesty on October 2, coinciding with the Islamic holiday next month – several hundred fewer than under Niyazov last year.

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1. INTERNATIONAL RELATIONS

a. Kazakh, Turkmen Presidents Meet to Discuss Energy Routes

Original title: *Kazakhstan, Turkmenistan Talk Energy Export Routes. Synopsis prepared by OSI Turkmenistan Project.*

Source: *Reuters/09/11/07*

Full version: <http://uk.reuters.com/article/oilRpt/idUKL118759520070911>

Synopsis: Kazakh president Nursultan Nazarbayev, visiting Ashgabat for 2 days, told Turkmen president Gurbanguly Berdymukhamedov that the two countries should take advantage of "beneficial" energy prices that would undercut Russia, their traditional buyer of energy resources, Reuters reported. Nazarbayev also implied that the U.S.-backed Trans-Caspian pipeline would be constructed soon to pump 30 bcm per year of Turkmen gas across the Caspian Sea to Azerbaijan and from there overland to Europe.

"The energy issue is one of great global importance. Everyone is looking for an alternative to a single source," Nazarbayev told a news conference with Berdymukhamedov, Reuters reported. "We have a common interest: to sell our energy resources on the international market and sell at prices which are beneficial and will help the development of our nations and people in the future," he said. Nazarbayev also invoked the North-South Chinese-backed pipeline as an alternative to dependence on Russia. Kazakhstan will allow the Chinese pipeline to pass through its territory, but Uzbekistan's position is not yet clear.

b. Turkmen Leader Invites Kazakh Companies to Extract Oil and Gas

Synopsis prepared by OSI Turkmenistan Project.

Source: *ITAR-TASS/09/12/07*

Synopsis: Following a summit meeting with Kazakh president Nursultan Nazarbayev September 11, Turkmen president Berdymukhamedov invited Kazakhstan to extract oil and gas on the Caspian Sea shelf in Turkmenistan and to survey on-shore hydrocarbons, ITAR TASS reported. "Kazakh partners might work both on land and sea, in the sphere of geological survey and services," the Turkmen president was quoted as saying. The first foreign operation to receive a license for geological survey and production was China National Petroleum Corporation, in August.

c. President Berdymukhamedov's Visit to New York Signals "Openness": FT

Original title: *Turkmen Leader's Visit Points to More Openness With West. Synopsis prepared by OSI Turkmenistan Project.*

Source: *Financial Times/08/31/07*

Synopsis: President Berdymukhamedov will make his first trip to the West since coming to power when he attends the United Nations General Assembly later this month, the *Financial Times* (FT) reported. "The move indicates that the central Asian republic is opening up to the outside world after 16 years of rule by Saparmurat Niyazov, an isolationist dictator who died in December," FT said.

The president's trip will coincide with the visit of another Turkmen delegation, of oil experts, that will visit Washington DC and Houston. The Turkmen leader is scheduled to address the General Assembly on September 26. He is unlikely to leave New York, but his visit will provide government officials and businessmen the opportunity "to see the new Turkmen leader up close," said Central Asian expert Martha Olcott of the Carnegie Endowment for International Peace. Secretary of State Condoleezza Rice is expected to hold talks with Berdymukhamedov on the margins of the UN meetings.

The Turkmen leader noted in May that he did not rule out the option of a Trans-Caspian pipeline project backed by the U.S. that would reduce energy dependence on Russia.

d. U.S. Department of Treasury Technical Team Arrives in Turkmenistan

Original title: U.S. Department of Treasury Technical Team Invited to Turkmenistan. Synopsis prepared by OSI Turkmenistan Project.

Source: U.S. Embassy Ashgabat Press Release/09/07/07

Full version: <http://turkmenistan.usembassy.gov>

Excerpt: A U.S. Department of the Treasury technical team arrived in Ashgabat, Turkmenistan September 9 to begin a two-day visit of briefings and meetings with their Turkmenistan government counterparts, the U.S. Embassy in Ashgabat reported. The delegation, headed by Office for Europe and Eurasia Deputy Director Jeffrey Baker, will hold meetings with representatives of the Ministries of Foreign Affairs, Economy and Finance, Welfare and Social Care, and Central Bank of Turkmenistan. The team will discuss ways to develop further cooperation on banking and financial reforms as well as to develop respect for intellectual property rights in Turkmenistan.

[Passage omitted on mission of Treasury Department].

e. UN Special Rapporteur Hopes to Visit Turkmenistan

Original title: UN Special Rapporteur Expresses Wish to Visit Turkmenistan. Synopsis prepared by OSI Turkmenistan Project.

Source: gundogar.org/09/07/07

Full version: <http://www.gundogar.org/?2022500000000000000011062007090000#4974>

Excerpt: Leandro Despouy, the UN Special Rapporteur on independence of judges and lawyers, hopes to visit Turkmenistan in the near future, gundogar.org reported. Despouy has written to the Turkmen government requesting an invitation to visit Turkmenistan. He also intends to visit Russia and Uzbekistan, gundogar.org reporting, citing the UN press service.

The Special Rapporteur is preparing a report for the General Assembly, to open session September 18, on the situation of judges, prosecutors, and lawyers around the world who have been under attack for performing their professional duties.

f. Bulgarian Foreign Minister Meets with Turkmen President on Gas, Trade

Original title: Bulgaria Interested in Transiting and Exporting Turkmen Gas. Synopsis prepared by OSI Turkmenistan Project.

Source: turkmenistan.ru/09/07/07

Full version: http://www.turkmenistan.ru/?page_id=3&lang_id=en&elem_id=10958&type=event&sort=date_desc

Excerpt: Bulgaria is very interested in transiting and exporting Turkmen gas, Bulgarian foreign minister Ivailo Kalfin said at a meeting with Turkmen President Berdymukhamedov September 6, turkmenistan.ru reported. Berdymukhamedov invited Bulgaria companies to take part in geological prospecting, developing offshore Caspian fields and servicing onshore fields.

The two sides also discussed further cooperation in tourism, education, telecommunications, agriculture, and food-processing. The Bulgarian minister expressed great interest in development of the North-South transport corridor, and President Berdymukhamedov encouraged the development of the free economic zone of Avaza near Turkmenbashi, site of a future Caspian resort area, citing significant benefits for foreign investors.

g. Crude Accountability Releases Report on Environmental Issues and Investment in Hydrocarbons in Turkmenistan

Source: crudeaccountability.org/09/12/07

Report available from kate@crudeaccountability.org

On September 12, Crude Accountability released its report, "Turkmenistan's Environmental Risks in the Era of Investment in the Hydrocarbon Sector", and discussed the research at a forum at the Open Society Institute in Washington, DC, the organization reported on its website at crudeaccountability.org. The report focuses on the environmental risks associated with oil and gas development in Turkmenistan, one of the last countries in the Caspian Sea region to open up to foreign investment.

Following the death of Turkmen President Niyazov in December 2006, the new Turkmen President Berdymukhamedov has invited foreign investors with unprecedented enthusiasm, particularly those interested in Turkmenistan's vast oil and natural gas reserves. However, the environmental risks, particularly

along the Caspian coast of Turkmenistan, are poorly understood, presenting enormous risks to biodiversity, local populations and the health of the Caspian Sea itself.

"We are concerned that the mistakes made and problems exacerbated by oil and gas development in other parts of the Caspian region will be repeated in Turkmenistan," said Kate Watters, Executive Director of Crude Accountability. "We released this report in order to provide a perspective on the existing problems and lessons to be learned from the massive investments made in other areas of the Caspian, often at the expense of local communities and to the detriment of the environment."

The report not only outlines the key environmental problems in Turkmenistan related to oil and gas development, but also provides recommendations to oil companies, international financial institutions, the US government and international NGOs interested in these issues.

Crude Accountability is a nonprofit environmental organization that works in communities in the Caspian region that are impacted by oil and gas development. Based in Alexandria, Virginia, Crude Accountability works with local community activists working for environmental justice, access to environmental information and sustainable development.

2. DOMESTIC DEVELOPMENTS

a. More Than 9,000 Prisoners to Be Released in Annual Amnesty

Original title: More Than 9,000 Prisoners to Be Set Free in Turkmenistan. *Synopsis prepared by OSI Turkmenistan Project.*

Source: [ferghana.ru/09/11/07/Novye Izvestiya/09/10/07](http://ferghana.ru/09/11/07/Novye_Izvestiya/09/10/07)

Full version: <http://www.newizv.ru/news/2007-09-10/75805/>

Synopsis: At a Cabinet meeting on September 7, Turkmen National Security Minister Geldymukhammed Ashirmukhammedov said that preparations for another major amnesty are underway, and that more than 9,000 prisoners are reportedly to be set free, *ferghana.ru* reported, citing *Novye Izvestia* and Turkmen media. "Do whatever is needed to make sure that the amnestied persons return to their homes," President Gurbanguly Berdymukhamedov is said to have ordered.

The amnesty is tied to a tradition called "Forgiveness Night" (Gadyr Gijesi), annually celebrated in connection with the Uraz, or Muslim fast. The practice was instituted by former president Saparmurat Niyazov in 1999. Last year, 10,000 prisoners out of 18,000 were released. Berdymukhamedov has made it possible to seek amnesty year-round, by creating a state agency to receive citizens' appeals about the work of law-enforcement. In August, 11 political prisoners were released, some of them convicted in connection with the alleged coup attempt of November 25, 2002. Despite the releases, the International Committee of the Red Cross has not been allowed to visit the jails where human rights groups say prisoners are being mistreated.

b. Turkmenistan's TV/Radio Need Less Censorship, Not More Technology: IWPR

Synopsis prepared by OSI Turkmenistan Project.

Source: *Institute for War and Peace Report*/09/03/07

Full version: http://www.iwpr.net/?p=btm&s=b&o=338313&apc_state=henh

Synopsis: Installing hi-tech equipment in Turkmenistan's television and radio stations will not improve program quality as long as the authorities continue to keep journalists on a short leash and censor their work, says NBCentralAsia, analysts for the Institute for War and Peace Reporting.

President Berdymukhamedov said in an August 17 speech that the media had "a great deal of unfinished work" to accomplish and that news was often not checked, artistic content was falling short, and modern technology was not available. The president has fired two culture and media ministers since coming to power in February. He has also issued orders to build one of the tallest TV towers in the world, and has also signed an agreement with Eurasia Trans Ltd., a British media company, for \$3.5 million, to purchase video-editing equipment.

c. Turkmen President Orders Officials to Ensure Well-Organized *Ruhnama* Day

Original title: *President Obliges All Officials to Ensure a High Organizational Level for the Day of Ruhnama*

Synopsis prepared by OSI Turkmenistan Project.

Source: [gundogar.org/09/09/07/State News Agency \(TDH\)/09/08/07](http://gundogar.org/09/09/07/State%20News%20Agency%20(TDH)/09/08/07)

Full version: <http://www.gundogar.org/?022500000000000000011062007090000#4974>

Synopsis: At a meeting of the Cabinet of Ministers on September 8 to discuss the celebration of state holidays, President Berdymukhamedov urged all top officials in the capital and provinces to ensure "a high organizational level" of the celebration of the 6th anniversary of the *Ruhnama* on September 12, the State News Agency (TDH) reported, calling the book the "moral code of the Turkmen people."

3. Economic News

a. Turkmenistan's Cell Users Grow to 283,000; 100,000 More Expected in 2008

Original title: *TM CELL Capacity to Grow by 100,000 Subscribers. Synopsis prepared by OSI Turkmenistan Project.*

Source: turkmenistan.ru/09/03/07

Full version: http://www.turkmenistan.ru/?page_id=3&lang_id=en&elem_id=10910&type=event&sort=date_desc

Synopsis: Turkmenistan's national cellular network TM Cell expects to grow its network by 100,000 subscribers by February 2008, turkmenistan.ru reported. Currently TM Cell provides services to 43,000 Turkmen citizens, and plans to add another 50,000 to Ashgabat and 10,000 to each of the country's five provinces, to improve communications in newly-developed virgin lands and mountainous areas. The other provider of cell phone service in Turkmenistan, Russia's MTS, reported 240,000 subscribers at the end of June 2007, up 96 percent by contrast with June 2006, when there were only 120 people.

b. Turkmen, Kazakh Leaders Hope to Sign Railway Deal in Mid-October

Original title: *Turkmen, Kazakh Leaders Hope to Sign Railway Deal in Mid-October. Synopsis prepared by OSI Turkmenistan Project.*

Source: [ITAR-TASS/09/12/07](http://itar-tass.com/09/12/07)

Synopsis: Kazakhstan and Turkmenistan hope to sign an agreement to construct the Uzen-Kyzyl-Kaya-Bereket-Etrek-Gorgan railway line, [ITAR-TASS](http://itar-tass.com) reported. At a press conference following his first official visit to Turkmenistan September 10-11, Kazakh president Nursultan Nazarbayev said the railway deal, which was revived at a tripartite summit of Russian, Turkmen, and Kazakh presidents in May, could be inked at a meeting in Tehran in mid-October. A ferry service between Aktau and Turkmenbashi was also discussed, along with the reconstruction of the Turkmenbashi-Aktau-Astrakhan highway, to increase trade between the two nations.

Unless otherwise indicated, all translations have been prepared by OSI's Turkmenistan Project.

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